

## Message Text

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ACTION EUR-25

INFO OCT-01 NEA-14 ISO-00 IO-14 SAJ-01 EURE-00 ACDA-19

CIAE-00 DODE-00 PM-07 H-03 INR-11 L-03 NSAE-00 NSC-07

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CIEP-03 TRSE-00 FEAE-00 NIC-01 DRC-01 /166 W

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P R 291310Z AUG 74

FM AMEMBASSY MOSCOW

TO SECSTATE WASHDC PRIORITY 2020

INFO AMEMBASSY AMMAN

AMEMBASSY ANKARA

AMEMBASSY ATHENS

AMEMBASSY BEIRUT

AMEMBASSY BELGRADE

AMEMBASSY BONN

AMEMBASSY BUCHAREST

AMEMBASSY BUDAPEST

AMEMBASSY CAIRO

AMEMBASSY DAMASCUS

AMEMBASSY JIDDA

AMEMBASSY LONDON

AMEMBASSY NICOSIA

AMEMBASSY PARIS

AMEMBASSY PRAGUE

AMEMBASSY ROME

AMEMBASSY SOFIA

AMEMBASSY TEL AVIV

AMEMBASSY WARSAW

AMCONSUL LENINGRAD

USMISSION BERLIN

USMISSION USNATO

USMISSION USUN

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E.O. 11652: GDS

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TAGS: PROR, UR

SUBJECT: AUGUST TRENDS

1. SUMMARY. THE PRESIDENTIAL TRANSITION HAS BEEN ACCOMPLISHED WITH NO UNDUE SOVIET CONCERN BEING EXPRESSED OR--WE SURMISE--FELT. WE HAVE NO REASON TO DOUBT THAT THE SOVIETS HAVE TAKEN PRSIDENT FORD AT HIS WORD ON THE CONTINUITY OF RELATIONS, ALTHOUGH THEY WILL BE LOOKING WITH SPECIAL CARE AT HOW HIS DEFENSE POLICY DEVELOPS. THE RELEASE OF SIMAS KUDIRKA--IF IT PROVES TRUE--AND OF ONE OF THE LENINGRAD HIJACKERS SEEM INTENDED AS A SIGNAL TO THE PRESIDENT OF A SOVIET DESIRE FOR GOOD RELATIONS AND AS AN ATTEMPT TO DEMONSTRATE A FORTHCOMING SOVIET ATTITUDE TO THE U.S. CONGRESS AS AN MFN DECISION DRAWS NEAR. WITH A NEW U.S. PRESIDENT, THE SOVIETS WILL GIVE SPECIAL IMPORTANCE TO MFN AS A TEST OF DETENTE AND AS A SIGN OF THE PRESIDENT'S INFLUENCE WITH CONGRESS.

2. ON THE OTHER MAJOR ISSUES OF BILATERAL CONCERN AS SEPTEMBER BEGINS--THE MIDDLE EAST AND CYPRUS--THE SOVIETS ARE STILL OUTSIDE TRYING TO GET IN. AN EARLY RECONVENING OF THE GENEVA MIDDLE EAST PEACE CONFERENCE BULKS LARGE IN SOVIET RECKONING. IF ANOTHER ROUND OF SOLO U.S. MEDIATING ENSURES, AND IF THE SOVIETS DECIDE IT WILL POSPONE GEENEVA TO SOME INDEFINITE FUTURE, THEY MAY WELL SHIFT TO A MORE MEDDLESOME ROLE IN THE MIDDLE EAST. WITH REGARD TO CYPRUS, SOVIET PRIORITIES SEEM TO HAVE SHIFTED FROM THE SITUATION ON THE ISLAND ITSELF TO MAINLAND FACTORS--THE ENCOURAGEMENT OF NATO DISUNITY, THE PRESERVATION OF SOVIET TIES WITH TURKEY, AND THE BUILDING OF A NEW RELATIONSHIP WITH GREECE. THE AUGUST 22 SOVIET PROPOSAL ON CYPRUS IS NOT HELPFUL, AND WE EXPECT THE SOVIETS TO CONTINUE, IN A LOW-KEY WAY, TO TRY TO FRUSTRATE SERIOUS EFFORTS AT A SOLUTION. END SUMMARY.

3. THE NEW ADMINISTRATION. THE PRESIDENTIAL TRANSITION WAS ACCOMPLISHED SMOOTHLY AND AT NO APPARENT COST TO DETENTE. THE SOVIETS APPEAR TO HAVE ACCEPTED THE PRESIDENT'S COMMITMENT TO CONTINUITY AS SINCERE; IN ANY CASE IT CONFIDENTIAL

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IS BUTTRESSED BY THE SECRETARY'S REMAINING ON. FORD AND ROCKEFELLER HAVE BEEN SPOKEN OF FAVORABLY IN THE PRESS AND BY OUR SOVIET CONTACTS. NEVERTHELESS, THE INCREASING NUMBER OF PRESS ACCOUNTS OF THE ECONOMIC TROUBLES OF CAPITALIST STATES (PARTICULARLY THE U.S.) INCLUDING ONE BY IMEMO'S INOZEMTSEV, IS A REMINDER THAT THE SOVIETS WILL NOT BE INCLINED TO GIVE THE NEW PRESIDENT A MORATORIUM ON CRITICISM OF THE U.S.

4. MOREOVER, THE SOVIETS ARE UNDOUBTEDLY TAKING A HARD LOOK AT THE FIRM POSITION THE PREISDENT HAS TAKEN ON DEFENSE, IN AN EFFORT TO DIVINE DEFENSE ATTITUDES IN THE NEW ADMINISTRATION AND TO INTERPRET THE COURSE OF THE KISSINGER-SCHLESSINGER "DEBATE." WE HAVE NOTICED A FALLING-OFF IN PRESS REFERENCES TO THE URGENCY OF ANOTHER SALT AGREEMENT SINCE BREZHNEV'S ALLUSIONS TO SALT IN HIS JULY 21 SPEECH IN POLAND. (MUCH BALLYHOO, ON THE OTHER HAND IS GIVEN TO THE MEDITERRANEAN DENUCLEARIZATION PROPOSAL AND TO TH NEED FOR A COMPREHENSIVE TEST BAN.) WHILE ADMITTEDLY THIS IS SLIM EVIDENCE, IT COULD IMPLY THAT THE SOVIETS ARE DOWNPLAYING SALT--PERHAPS BECAUSE THEY THEMSELVES ARE IN NO HURRY (AS THEIR MIRV PROGRAM CONTINUES), PERHAPS BECAUSE THEY WANT TO GIVE THE U.S. A CHANCE TO SORT OUT ITS POSITION WHICH THEY NO DOUBT EXPECT SECRETARY TO DISCUSS DURING HIS REPORTED VISIT HERE IN OCTOBER.

5. MFN/EMIGRATION. DURING THE COMING FALL, THE ISSUES WITH THE GREATEST IMPORTANCE FOR BILATERAL RELATIONS ARE LIKELY TO BE MFN/EMIGRATION, THE MIDDLE EAST, AND, TO A LESSER DEGREE, CYPRUS. THE RELEASE OF SIMAS KUDIRKA, IF IT PROVES TRUE, UNDOUBTEDLY REPRESENTS THE SOVIET HOPE, NOT ONLY TO START OFF ON THE RIGHT FOOT WITH PRESIDENT FORD, BUT ALSO TO SOFTEN CONGRESSIONAL ATTITUDES ON THE EMIGRATION ISSUE. THE RELEASE OF ONE OF THE LENINGRAD HIJACKERS UNDOUBTEDLY HAS THE SAME OBJECTIVE. THE MESSAGE IS CLEAR: THE NEXT STEP IS UP TO US. MOREOVER, THE PRESIDENTIAL TRANSITION WILL GIVE MFN AN ADDED IMPORTANCE IN SOVIET EYES--BOTH AS A TEST OF DETENTE AND AS A SIGN OF PRESIDENT FORD'S INFLUENCE WITH CONGRESS.  
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6. THE SOVIETS KNOW THAT--WITH HIS MEETING WITH SENATOR JACKSON--THE PRESIDENT HAS DIRECTLY ENGAGED HIMSELF IN THE MFN AFFAIR. IN ADDITION TO RESOLVING A NEURALGIC BILATERAL PROBLEM, A FAVORABLE CONGRESSIONAL DECISION WOULD GIVE THE SUPPORTERS OF DETENTE IN MOSCOW TWO ARGUMENTS TO USE WITH SOVIET DOUBTERS. FIRST, THEY COULD CLAIM THAT THE PRESIDENT HAS PROVED THAT HE IS SPECIFICALLY COMMITTED TO DETENTE AND THAT HE HAS AN EFFECTIVE AND COOPERATIVE RELATIONSHIP WITH CONGRESS (SOMETHING THAT DISTURBED THEM ABOUT NIXON). SECOND, THEY COULD POINT TO THE FAVORABLE ACTION AS A SIGN THAT CONGRESS IS SOLIDLY ON THE SIDE OF DETENTE--A GOOD OMEN FOR SALT AS WELL AS TRADE.

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7. THE MIDDLE EAST. WE SEE LITTLE EVIDENCE

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THAT THE SOVIETS ARE STIRRING UP TROUBLE IN THE MIDDLE EAST. THEIR MAIN FOCUS NOW SEEMS TO BE ON THE EARLY CONVENING OF THE MEPC. THEY RAISED THE LEVEL OF THEIR OFFICIAL DEALINGS WITH THE PLO AND ARAFAT DURING HIS RECENT VISIT, BUT THE CONFERENCE ITSELF REMAINS MORE IMPORTANT TO THEM THAN THE QUESTION OF PALESTINIAN REPRESENTATION. SOVIET MEDIA HAVE EASED UP ON THEIR CRITICISM OF EGYPT, PROBABLY BECAUSE IT THREATENED TO BECOME COUNTERPRODUCTIVE.

8. THE SOVIETS SEEM TO BE IN SOMETHING OF A HOLDING PATTERN ON THE MIDDLE EAST. THEY ARE PROBABLY WAITING TO CATCH THE DRIFT OF THE WASHINGTON VISITS OF MAJOR ISRAELI AND ARAB OFFICIALS. WE WOULD NOT EXPECT THEM TO LOOK KINDLY ON ANOTHER U.S. BID TO SEIZE THE NEGOTIATING INITIATIVE, AND THEY ARE LIKELY TO REGARD A RECONVENING OF GENEVA AS THE LIMTUS PAPER TEST OF WHETHER THEY ARE TO BE WELCOMED BACK INTO THE GAME OR NOT. THE SOVIETS ARE UNDOUBTEDLY CHAFING AT BEING KEPT IN THE COLD; WE DOUBT THAT THEIR PATIENCE WILL BE INEXHAUSTIBLE. THEIR REARMAMENT OF SYRIA AND THEIR TIES WITH THE PALESTINIANS INDICATE THAT THEY HAVE THE CAPACITY TO MAKE TROUBLE IF THEY DECIDE THAT THE U.S. IS DETERMINED TO KEEP THEM OUT OF THE PLAY.

9. A RELATED FACTOR IS THE RECENT SOVIET OVERTURE TO IRAN. THEY HAVE AGREED TO DOUBLE THE PRICE THEY PAY FOR IRANIAN NATURAL GAS AND THEY HAVE INVITED THE SHAH FOR A STATE VISIT. THEY ARE NO DOUBT AWARE THAT IRAN IS THE HARDEST-NOSED OF THE OIL PRODUCING STATES IN ITS ATTITUDE TOWARD CONSUMERS IN WESTERN EUROPE AND THE U.S. A SOVIET REPPROCHEMENT WITH IRAN WOULD NOT ONLY SERVE THEIR HISTORIC/STRATEGIC INTERESTS ALONG THEIR SOUTHERN BORDER AND IN THE PERSIAN GULF--IT WOULD ALSO GIVE THEM SOME ADDITIONAL CAPACITY TO INFLUENCE THE USE OF THE OIL WEAPON AGAINST THE WEST.

10. CYPRUS. THE SOVIETS HAVE MOVED ONTO THE DIPLOMATIC OFFENSIVE WITH THEIR PROPOSAL FOR A MAJOR CONFERENCE ON CYPRUS. WE CONTINUE TO TAKE A LOW VIEW OF THE SOVIET

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INTEREST IN A REAL SETTLEMENT, AND THEIR PROPOSAL CERTAINLY WOULD SEEM TO HAVE LITTLE CHANCE OF

LEADING TO ONE. A POSSIBLE INDEX OF THEIR SERIOUSNESS, IS THE FACT THAT THE PROPOSAL WAS DEVISED AND PRESENTED WHILE FOREIGN MINISTER GROMYKO--AN OLD CYPRUS HADN--WAS STILL ON VACATION.

11. IF THE SOVIET PROPOSAL DOESN'T GET OFF THE GROUND, WE WOULD EXPECT THE SOVIETS TO CAST ABOUT FOR OTHER WAYS TO FRUSTRATE A SETTLEMENT ON THE GENEVA BASIS AND TO KEEP MATTERS CONFUSED AND UNRESOLVED. ENCOURAGEMENT OF GREEK RECALCITRANCE WOULD SEEM THEIR BEST HOPE AT THIS POINT. PRAVDA RAN A TASS STORY AGUSUT 28 SAYING THAT GREECE MIGHT TRY TO TAKE THE CYPRUS ISSUE TO THE GENERAL ASSEMBLY; IF SO, SOVIE SUPPORT FOR SUCH A MOVE IS A REAL POSSIBILITY. NOR WOULD WE EXCLUDE BROADER SOVIET HINTS OF A U.S.-SOVIET CONDOMINIUM ON CYPRUS GUARANTEES--WITH THE AIM OF SOWING SUSPICIONS IN NATO.

12. THE GREEK SITUATION HAS DEVELOPED INTO A QUADRUPLE WINDFALL FOR MOSCOW. IT HAS DIVIDED NATO, IT HAS JEOPARDIZED U.S. BASES IN THE MEDITERRANEAN, IT HAS OFFERED MOSCOW AN OPPORTUNITY TO EXERT SOME INTERNAL INFLUENCE IN GREECE VIA THE GREEK COMMUNIST PARTY, AND IT HAS RESULTED IN AT LEAST A TEMPORARY ALLY ON THE CYPRUS QUESTION. CONCERN ABOUT ALIENATING THE TURKS WILL INFLUENCE THE SOVIETS TO PLAY THEIR CARDS CAREFULLY IN GREECE, BUT THEY ARE OBVIOUSLY ATTRACTED BY THE OPPORTUNITIES THERE. WE THINK TURKEY--A NEIGHBOR WHICH SITS ASTRIDE SOVIET ACCESS TO THE MEDITERRANEAN--REMAINS MORE IMPORTANT THAN GREECE IN SOVIET EYES, THOUGH THE TURKISH POSITION OVER CYPRUS IS CURRENTLY MORE INCONVENIENT FOR THEM.

13. IN SUM, THE SOVETS ARE NOT IN A GOOD POSITION TO INFLUENCE EVENTS ON CYPRUS, BUT THEY DO HAVE THE CAPACITY--AND WE BELIEVE THE INCLINATION--FOR SOME MISCHIEF-MAKING. WE EXPECT THEIR OVERALL AIMS TO CONTINUE TO BE TO ENCOURAGE NATO DISUNITY OVER CYPRUS, TO GET THEMSELVES INTO THE PLAY, AND TO  
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PRESS THEIR BILATERAL ATTENTIONS ON TURKEY AND GREECE. ALL OF THESE PRESENT PROBLEMS FOR THE U.S., PROBLEMS WHICH MAY BECOME MORE ACUTE IF THE U.S. BEGINS TO PLAY A MORE ACTIVE ROLE IN THE NEGOTIATING PROCESS.  
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## Message Attributes

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